

HOUSE BILL No. 1021

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-7-9-9.

Synopsis: Limit on mine subsidence insurance coverage. Raises the maximum amount of mine subsidence insurance coverage that may be reinsured (and thus the maximum amount of mine subsidence coverage that is available) from \$200,000 per structure to \$500,000 per structure.

Effective: July 1, 2015.

Bacon

January 6, 2015, read first time and referred to Committee on Insurance.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1021

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-7-9-9 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2015]: Sec. 9. (a) An insurer making the type
3 of insurance described in Class 3(a) of IC 27-1-5-1 shall enter into a
4 reinsurance agreement with the commissioner. The reinsurance
5 agreement must include the following terms:
6 (1) The insurer agrees to cede to the commissioner one hundred
7 percent (100%) of any mine subsidence coverage issued under
8 this chapter, subject to a maximum limit of ~~two hundred thousand~~
9 ~~dollars (\$200,000)~~ **five hundred thousand dollars (\$500,000)**
10 per structure insured.
11 (2) The insurer shall collect the premiums for mine subsidence
12 insurance, may retain a ceding commission in an amount set by
13 the commissioner, and shall remit the remainder of the premiums
14 to the commissioner for deposit in the mine subsidence insurance
15 fund.



- 1 (3) The insurer, in consideration of the ceding commission, shall:
2 (A) undertake the adjustment of losses under the mine
3 subsidence coverage issued under this chapter by the insurer,
4 with technical assistance provided under section 9.5 of this
5 chapter; and
6 (B) pay the taxes and absorb all other expenses necessarily
7 incurred by the insurer in the sale of policies and the
8 administration of the mine subsidence insurance program
9 under this chapter.
10 (4) The commissioner shall reimburse the insurer from the mine
11 subsidence insurance fund for all amounts paid to policyholders
12 for mine subsidence insurance claims.
13 (5) The insurer is not required to pay a claim for any mine
14 subsidence loss insured under this chapter if the amount available
15 in the mine subsidence insurance fund is insufficient to reimburse
16 the insurer for the claim.
17 (b) The determination of the commissioner as to the amount of the
18 ceding commission that an insurer may retain under subsection (a)(2)
19 must be based on a consideration of the insurer's reasonable
20 administrative costs (including insurance producers' commissions).

